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C O N F I D E N T I A L SECTION 01 OF 02 KATHMANDU 000152

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SUBJECT: NEPAL CA ELECTION: 66 DAYS TO GO

Classified By: Charge d'Affaires a.i. Randy W. Berry. Reasons 1.4 (b/d) .

Summary

11. (C) The seven Six-Party Alliance and Maoist joint election meetings concluded amidst violence on January 30. The Election Commission has approved the registration of 13 new political parties and is continuing apace with preparations for April 10 Constituent Assembly polls. While the Maoists continue to be active and prepare their cadres, the Nepali Congress in particular is finding it more difficult to organize. The security situation in the Terai continues to be very uncertain. Student elections for Nepal's largest university have been postponed.

Six-Party Alliance and Maoist Joint Meetings Conclude

the central Terai on January 31. Bombs outside the stadium injured more than 50 participants, continuing the violence seen at several of the previous rallies. Reaction to the rallies has been mixed. Embassy sources from the main political parties and organizations such as the National Democratic Institute and the Carter Center have raised concerns that number of participants should have been higher (the rallies ranged in participation from roughly 10,000 in Kathmandu and Janakpur to close to 100,000 in Biratnagar and Bhairahawa) and that bombings occurred despite high security. This has been tempered by the recognition that the seven parties were able to hold together and conduct all seven rallies. The same sources have claimed that the four smaller parties in the cabinet may have received more benefit than the Nepali Congress (NC), the Communist Party of Nepal - United Marxist Leninist (UML) and the Maoists due to their equal billing at the rallies and the opportunity the rallies gave the smaller parties to reach a larger audience, in person and through the media.

Election Commission Preparations Continue

13. (C) The Election Commission (EC) has approved the registration of 13 new political parties, including Mahanta Thakur's Terai-Madhes Democratic Party and the dissident faction of the Madhesi People's Rights Forum. IFES reported February 1 that it had succeeded in redesigning the proportional representation ballot to fit all 74 parties. The EC has begun distribution of electoral materials and has dispatched a full complement of ballot boxes to all but 3 of Nepal's 75 districts. USAID's Office of Transition Initiatives (OTI) has begun to move forward with production of election-related public service announcements and re-establishment of a media monitoring center across the street from EC headquarters. According to the OTI Director, the EC is receptive to OTI's proposal for media campaigns focused on post-election timelines and on the Terai. Due to delays to renovate the space within EC headquarters, post's acting Senior Law Enforcement Adviser now expects the Joint Election Operating Center (JEOC) to be fully operational only on March 22, one month later than planned. Until that date the JEOC will operate out of an interim site. At a February 1 meeting with the donors, the EC discussed its proposed USD 43 million budget and its need for approximately USD 22 million from donors -- though it failed to produce a detailed budget.

Nepali Congress Struggling

14. (C) Minister without Portfolio Sujata Koirala (NC) confessed to Emboffs on February 2 that the public perception of disorganization and disunity within her party is accurate. She reported that NC leaders are working individually rather than as a coordinated team. Although the NC has announced a

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plan to hold public rallies in all districts, Minister Koirala thought these would not be very useful or effective if the party had not first held meetings with the local cadres. She expected the party to wait again until the last moment to prepare candidate lists. (Note: She reported that her father, Prime Minister G.P. Koirala, had recovered from his recent acute illness, but admitted that he was neither fit enough to run the government or the party, nor willing to designate tasks to others. End note.) Carter Center Director Darren Nance pointed out February 4 that the UML has planned all along to wait to launch its election campaign until after its Central Committee meeting, which began February 4 and will likely conclude February 9. He anticipated, however, that it would prove well prepared. He also noted that the Maoists continue to express public commitment to holding and participating in the election. Training sessions for their cadres have been taking place across the country. The Asia Foundation's deputy director speculated February 4 that the Maoists may feel more confident because the NC and UML's electoral bases have also eroded, particularly in the Terai.

Terai Remains a Problem

15. (C) IFES informed the Ambassador February 1 that, despite the violence in the Terai, the EC did not support the possibility of holding the election in two phases, with a later date for six to eight districts in central Terai. At the same briefing, the National Democratic Institute's Acting Country Representative also argued against a two-phase election, believing it would increase Madhesi alienation without any guarantee security would be improved. In his view, until the moderate Madhesi leaders were convinced of the benefits of the Constituent Assembly (CA) election, no election would be possible in the Terai. Post estimates as many as 3.3 million of Nepal's 17.6 voters (or approximately 20 percent) reside in the eight insecure districts.

Student Elections Postponed

16. (C) According to press reports, the Six-Party Alliance and Maoist steering committee decided February 4 to postpone biennial student (Free Student Union) elections at Tribhuvan University and its affiliated colleges, with an estimated 150,000 students, scheduled for February 28, until after the April 10 CA election. Sujata Koirala had indicated February 2 that, while the Maoists were against the student election, claiming it would lead to violence, and could jeopardize the holding of the CA election, her own party was divided. She volunteered that the top leadership of the NC's student wing, the Nepal Student Union, had not done a good job preparing for the student election.

Comment

 $\underline{\mbox{1}} \mbox{7.}$ (C) With less than 10 weeks and only 66 days to go, doubts about the scheduled April 10 CA election are still widespread. While the February 4 decision to delay student elections may have averted some measure of violence, the reported public comment by Home Minister Krishna Sitaula that his ministry could not provide sufficient security for the student polls, does little to inspire confidence. Meanwhile, the Maoist and Nepali Congress student wings, which were expected to lose badly to the UML grouping, have avoided a poor showing immediately before the election. The larger issue of whether the Madhesi parties, now all duly registered, can be persuaded to participate in the election and pacify the troubled Terai also remains unanswered. With the Maoists actively campaigning, perhaps the biggest possible spoiler is the weak state of Nepal's leading party, the Nepali Congress, as personified by the state of its octogenarian Prime Minister, G.P. Koirala. **BERRY**